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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

2006 APR 19 P 12:47

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
EXTENSION OF THE SERVICE AREA UNDER
ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE
WATER UTILITY SERVICES.

DOCKET NO. W-01445A-03-0559

PROCEDURAL ORDER

BY THE COMMISSION:

In Decision No. 66893 (April 6, 2004), the Arizona Corporation Commission ("Commission") granted Arizona Water Company's ("Arizona Water" or "Company") application for an extension of its Certificate of Convenience and Necessity ("CC&N") for its Casa Grande system, subject to certain conditions. AWC was ordered to file (1) a copy of the Developers' Assured Water Supply for each development with the Commission within 365 days of the Decision and (2) a main extension agreement associated with the extension area within 365 days of the Decision.

On March 30, 2005, AWC filed a Request for Additional Time to Comply with the Filing Requirement.

Following numerous filings in this docket, a Procedural Order was issued in this matter on March 22, 2006. The March 22, 2006 Procedural Order set a procedural conference for the purpose of scheduling an evidentiary hearing to receive testimony and evidence on the circumstances and events that have resulted in Arizona Water not complying with the time periods established in Decision No. 66893,¹ and to discuss issues related to discovery. The Procedural Order directed the Commission's Utilities Division Staff ("Staff") to be prepared to provide testimony explaining why such time periods for compliance are recommended and included in Commission decisions, how the determination is made as to how long to give for compliance, how requests for additional time to

¹ The Procedural Order stated that although the pleadings filed to date have provided information as to why Arizona Water has not complied, the information is not sworn testimony or evidence, and the parties have not, to date, stipulated to facts; that the hearing will not be a reopening of the Decision granting Arizona Water a CC&N; and that the hearing will not address whether a different water utility should be providing service to the extension area.

1 comply are analyzed by Staff, and any other relevant policy issues that need to be addressed in this
2 proceeding.

3 The procedural conference was held on April 12, 2006. At the Procedural Conference,
4 Arizona Water requested a total of 50 days for discovery, and that a hearing be set to take place in
5 mid-June 2006. Arizona Water indicated that it might call two witnesses at the hearing. Intervenor
6 Cornman Tweedy 560, LLC ("Cornman Tweedy")² requested that a hearing be set to take place
7 within 30 days, and stated that it believes 30 days allows sufficient time for discovery. Cornman
8 Tweedy indicated that it might call two witnesses. Staff requested 60 days for the preparation of its
9 Staff Report or any required prefiled testimony, and recommended that a hearing be held 30 days
10 afterward. Staff indicated that while it might call only one witness, three Staff members would likely
11 assist in preparation of a Staff Report.

12 At the April 12, 2006 Procedural Conference, Cornman Tweedy stated that Arizona Water
13 had not responded to data requests it served on Arizona Water on January 21, 2006. Arizona Water
14 stated that it had not yet responded to the data requests because prior to the issuance of the March 22,
15 2006 Procedural Order, several motions and requests had not yet been ruled on, and Arizona Water
16 was not certain of the scope of the proceedings in this docket. Following consideration of Cornman
17 Tweedy's and Arizona Water's arguments regarding Arizona Water's failure to respond to the
18 January 21, 2006 data requests, Cornman Tweedy was directed to examine whether the data requests
19 require any reformulation in consideration of the current scope of the issues remaining for hearing as
20 delineated in the March 22, 2006 Procedural Order, to make any necessary changes to the data
21 requests, and to serve them on Arizona Water again. The parties were informed that the normal
22 timeframe for responses to discovery requests would apply in this proceeding.

23 The Commission now issues this Procedural Order to govern the preparation and conduct of
24 this proceeding.

25 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
26 commence on **July 10, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's
27 offices, 1200 West Washington Street, Arizona 85007.

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² Cornman Tweedy was granted intervention in this docket by Procedural Order issued November 14, 2006.

1 IT IS FURTHER ORDERED that direct testimony or a Staff Report and associated exhibits to
2 be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before June 12,
3 2006.

4 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
5 hearing on behalf of the Company and intervenor Cornman Tweedy 560, LLC shall also be reduced
6 to writing and filed on or before June 12, 2006.

7 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
8 at hearing by the Company, intervenor Cornman Tweedy 560, LLC, and Staff shall be reduced to
9 writing and filed on or before July 6, 2006.

10 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
11 pre-filed testimony shall be reduced to writing and filed no later than five calendar days before the
12 witness is scheduled to testify.

13 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
14 regulations of the Commission, except that: until June 23, 2006, any objection to discovery requests
15 shall be made within 7 calendar days of receipt and responses to discovery requests shall be made
16 within 10 calendar days of receipt; thereafter, objections to discovery requests shall be made within 5
17 calendar days and responses shall be made within 7 calendar days of receipt. The response time may
18 be extended by mutual agreement of the parties involved if the request requires an extensive
19 compilation effort. No discovery requests shall be served after June 29, 2006.

20 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
21 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
22 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
23 request, a procedural hearing will be convened as soon as practicable; and that the party making such
24 a request shall contact all other parties to advise them of the hearing date and shall at the procedural
25 hearing provide a statement confirming that the other parties were contacted.³
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³ The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
2 the Commission within 10 calendar days of the filing date of the motion shall be deemed denied.

3 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar
4 days of the filing date of the motion.

5 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
6 filing date of the response.

7 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
8 Communications) continues to apply to this proceeding and shall remain in effect until the
9 Commission's Decision in this matter is final and non-appealable.

10 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
11 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

12 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
13 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

14 DATED this 19th day of April, 2006

15
16 
17 TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing mailed/delivered
19 this 19th day of April, 2006 to:

20 Robert W. Geake
21 Arizona Water Company
22 Post Office Box 29006
23 Phoenix, Arizona 85038

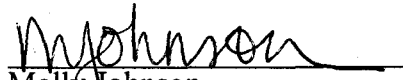
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By: 
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Secretary to Teena Wolfe